

# Report to the Executive Appropriations Committee

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## Intergovernmental Transfers in the Medicaid Program

October 2020



## **Statutory Requirement**

The Utah Department of Health (Department) submits this report to comply with the following statutory requirement in UCA 26-18-21(2) (b):

(b) *On or before October 15, 2017, and on or before October 15 each subsequent year, the department shall prepare a report for the Executive Appropriations Committee that includes:*

*(i) the amount of each intergovernmental transfer under Subsection (2)(a);*

*(ii) a summary of changes to CMS regulations and practices that are known by the department regarding federal funds related to an intergovernmental transfer program; and*

*(iii) other information the department gathers about the intergovernmental transfer under Subsection (2)(a).*

## **Definitions**

Seed – The amount of non-federal share paid to the Department through an intergovernmental transfer.

3-2-1 Administrative Indirect Match – The amount collected by the Department from the seeding entity to cover the administrative costs incurred by the Department.

## **Amount of Intergovernmental Transfers**

The following table details the program, entity, and amount of intergovernmental transfer that was received by the Department on a cash basis. During any given state fiscal year, there are adjustments to seed and 3-2-1 administrative indirect match based on transactions that occurred in the previous fiscal year. As a result, the seed and/or 3-2-1 amounts can potentially be negative.

	Seed	3-2-1	Total
<b>AGED DENTAL</b>			
UNIVERSITY OF UTAH SCHOOL OF DENTISTRY	\$155,120.51	\$81,694.80	\$236,815.31
<b>BLIND/DISABLED DENTAL</b>			
UNIVERSITY OF UTAH SCHOOL OF DENTISTRY	\$198,820.95	\$18,741.79	\$217,562.74
<b>COUNTY MENTAL HEALTH</b>			
BEAR RIVER MENTAL HEALTH AUTHORITY	\$2,746,314.24	\$101,064.48	\$2,847,378.72
CENTRAL UT MENTAL HEALTH & SUBSTANCE ABUSE AUTH	\$912,052.46	\$42,931.81	\$954,984.27
DAVIS COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$2,972,638.85	\$99,536.47	\$3,072,175.32
FOUR CORNERS MENTAL HEALTH & SUB ABUSE AUTHORITY	\$835,250.17	\$33,612.25	\$868,862.42
SALT LAKE COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$17,554,986.15	\$512,363.10	\$18,067,349.25
SOUTHWEST MENTAL HEALTH & SUB ABUSE AUTHORITY	\$2,822,286.74	\$118,408.61	\$2,940,695.35
SUMMIT COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$63,624.52	\$3,754.69	\$67,379.21
TOOELE COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$910,289.61	\$47,916.08	\$958,205.69
UINTAH BASIN MENTAL HEALTH & SUB ABUSE AUTHORITY	\$778,885.34	\$29,952.90	\$808,838.24
WASATCH COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$86,055.81	\$10,331.83	\$96,387.64
WASATCH MENTAL HEALTH AUTHORITY (UTAH COUNTY)	\$6,821,974.84	\$234,364.34	\$7,056,339.18
WEBER HUMAN SERVICES	\$4,073,479.41	\$120,193.42	\$4,193,672.83
<b>COUNTY SUBSTANCE ABUSE</b>			
	Seed	3-2-1	Total

BEAR RIVER HEALTH DEPARTMENT	\$55,800.66	\$2,976.91	\$58,777.57
CENTRAL UT MENTAL HEALTH & SUBSTANCE ABUSE AUTH	\$79,426.26	\$8,587.70	\$88,013.96
DAVIS COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$375,328.92	\$30,612.29	\$405,941.21
FOUR CORNERS	\$97,391.45	\$10,214.30	\$107,605.75
SALT LAKE COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$2,494,087.02	\$111,622.63	\$2,605,709.65
SOUTHWEST MENTAL HEALTH & SUB ABUSE AUTHORITY	\$453,012.89	\$34,934.98	\$487,947.87
SUMMIT COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$14,906.01	\$1,686.75	\$16,592.76
TOOELE COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$131,600.91	\$14,259.99	\$145,860.90
UINTAH BASIN MENTAL HEALTH & SUB ABUSE AUTHORITY	\$122,314.16	\$13,023.25	\$135,337.41
UTAH COUNTY SUBSTANCE ABUSE AUTHORITY	\$586,003.46	\$37,865.89	\$623,869.35
WASATCH COUNTY MENTAL HEALTH & SUB ABUSE AUTHORITY	\$13,336.31	\$1,476.44	\$14,812.75
WEBER HUMAN SERVICES	\$415,605.45	\$31,994.34	\$447,599.79
<b>DISPROPORTIONATE SHARE HOSPITAL (DSH)</b>	<b>Seed</b>	<b>3-2-1</b>	<b>Total</b>
BEAVER VALLEY HOSPITAL	\$388,720.83	\$27,966.92	\$416,687.75
GARFIELD MEMORIAL HOSPITAL	\$246,088.53	\$20,323.52	\$266,412.05
GUNNISON VALLEY HOSPITAL	\$214,461.83	\$20,443.71	\$234,905.54
KANE COUNTY HOSPITAL	\$324,851.52	\$22,852.32	\$347,703.84
MILFORD VALLEY MEMORIAL HOSPITAL	\$189,455.03	\$17,115.75	\$206,570.78
MOAB REGIONAL HOSPITAL	\$136,141.36	\$5,827.89	\$141,969.25
SAN JUAN HOSPITAL	\$402,202.06	\$22,330.39	\$424,532.45
<b>HITECH CONTROLLED SUBSTANCE USE</b>	<b>Seed</b>	<b>3-2-1</b>	<b>Total</b>
DEPARTMENT OF COMMERCE	\$26,220.11	\$7,866.03	\$34,086.14
<b>HITECH PEDIATRIC PATIENT SUMMARY</b>	<b>Seed</b>	<b>3-2-1</b>	<b>Total</b>
UNIVERSITY OF UTAH DEPARTMENT OF PEDIATRICS	\$255,715.57	\$41,428.65	\$297,144.22
<b>NON-STATE GOVERNMENT OWNED NURSING HOME UPPER PAYMENT LIMIT (UPL)</b>	<b>Seed</b>	<b>3-2-1</b>	<b>Total</b>
BEAVER VALLEY HOSPITAL	\$24,020,596.01	\$1,473,744.71	\$25,494,340.72
CANYONLANDS HEALTH CARE	\$724,758.95	\$57,465.38	\$782,224.33
EMERY COUNTY CARE AND REHABILITATION	\$127,237.83	\$13,247.68	\$140,485.51
GARFIELD MEMORIAL HOSPITAL	\$1,130.01	\$113.44	\$1,243.45
GUNNISON VALLEY HOSPITAL	\$4,452,292.04	\$282,794.86	\$4,735,086.90
KANE COUNTY HOSPITAL	\$1,239,442.71	\$98,215.52	\$1,337,658.23
MILFORD VALLEY MEMORIAL HOSPITAL	\$1,467.38	\$147.32	\$1,614.70
MILLARD COUNTY CARE AND REHABILITATION	\$317,569.15	\$26,176.70	\$343,745.85
PARKWAY	\$97,839.96	\$9,227.28	\$107,067.24
UINTAH BAI REHABILITATION AND SENIOR VILLA	\$395,678.68	\$28,966.00	\$424,644.68
UINTAH CARE CENTER	\$522,044.38	\$33,172.89	\$555,217.27
<b>NURSE AIDE REGISTRY</b>	<b>Seed</b>	<b>3-2-1</b>	<b>Total</b>
DAVIS APPLIED TECHNOLOGY COLLEGE	\$86,184.44	\$5,171.06	\$91,355.50
<b>SCHOOL BASED SKILLS DEVELOPMENT</b>	<b>Seed</b>	<b>3-2-1</b>	<b>Total</b>
ALPINE SCHOOL DISTRICT	\$832,098.64	\$43,435.18	\$875,533.82
BEAVER COUNTY SCHOOL DISTRICT	\$5,146.18	\$660.82	\$5,807.00
BOX ELDER SCHOOL DISTRICT	\$130,172.16	\$15,097.23	\$145,269.39
CACHE COUNTY SCHOOL DISTRICT	\$221,820.87	\$23,664.48	\$245,485.35
CANYONS SCHOOL DISTRICT	\$290,498.89	\$27,031.35	\$317,530.24
CARBON COUNTY SCHOOL DISTRICT	(\$6,200.02)	\$0.00	(\$6,200.02)
DAVIS COUNTY SCHOOL DISTRICT	\$679,255.76	\$38,939.63	\$718,195.39

DUCHESNE SCHOOL DISTRICT	\$54,387.75	\$7,204.80	\$61,592.55
GRAND COUNTY SCHOOL DISTRICT	\$9,490.27	\$1,162.93	\$10,653.20
GRANITE SCHOOL DISTRICT	\$481,150.02	\$40,723.89	\$521,873.91
JORDAN SCHOOL DISTRICT	\$5,088,323.31	\$26,676.24	\$5,114,999.55
JUAB COUNTY SCHOOL DISTRICT	\$14,087.56	\$1,466.54	\$15,554.10
KANE COUNTY SCHOOL DISTRICT	\$0.00	\$0.00	\$0.00
LOGAN CITY SCHOOL DISTRICT	\$62,054.15	\$9,120.87	\$71,175.02
MILLARD SCHOOL DISTRICT	\$0.00	\$0.00	\$0.00
MORGAN SCHOOL DISTRICT	\$4,840.75	\$833.71	\$5,674.46
MURRAY SCHOOL DISTRICT	(\$41,392.15)	(\$2,072.22)	(\$43,464.37)
NEBO SCHOOL DISTRICT	\$348,775.98	\$29,160.01	\$377,935.99
NORTH SANPETE SCHOOL DISTRICT	\$7,885.51	\$1,101.53	\$8,987.04
OGDEN CITY SCHOOL DISTRICT	\$4,974.85	\$4,708.88	\$9,683.73
PROVO SCHOOL DISTRICT	\$135,354.31	\$17,330.45	\$152,684.76
SALT LAKE SCHOOL DISTRICT	\$221,245.02	\$23,220.88	\$244,465.90
SAN JUAN SCHOOL DISTRICT	\$13,808.61	\$1,627.51	\$15,436.12
SEVIER SCHOOL DISTRICT	\$9,763.76	\$0.00	\$9,763.76
SOUTH SANPETE SCHOOL DISTRICT	\$31,143.98	\$4,334.99	\$35,478.97
SOUTHERN UTAH LEA DISTRICTS	\$81,229.71	\$9,881.05	\$91,110.76
SPECTRUM ACADEMY	\$106,224.02	\$10,868.40	\$117,092.42
TOOELE SCHOOL DISTRICT	\$164,402.71	\$16,849.27	\$181,251.98
UINTAH COUNTY SCHOOL DISTRICT	\$19,547.23	\$2,501.53	\$22,048.76
WASATCH COUNTY SCHOOL DISTRICT	\$38,513.38	\$4,270.05	\$42,783.43
WASHINGTON COUNTY SCHOOL DISTRICT	\$153,957.98	\$22,942.02	\$176,900.00
WAYNE COUNTY SCHOOL DISTRICT	\$0.00	\$0.00	\$0.00
WEBER SCHOOL DISTRICT	\$140,380.72	\$18,197.04	\$158,577.76
<b>TAM DENTAL</b>	<b>Seed</b>	<b>3-2-1</b>	<b>Total</b>
UNIVERSITY OF UTAH SCHOOL OF DENTISTRY	\$67,240.94	\$23,889.15	\$91,130.09
<b>TARGETED CASE MANAGEMENT</b>	<b>Seed</b>	<b>3-2-1</b>	<b>Total</b>
BEAR RIVER HEALTH DEPARTMENT	\$63,629.66	\$7,191.18	\$70,820.84
CENTRAL UTAH PUBLIC HEALTH	\$8,937.61	\$1,006.50	\$9,944.11
DAVIS COUNTY	\$115,380.88	\$12,457.00	\$127,837.88
SALT LAKE CITY CORPORATION	\$163,380.35	\$14,927.12	\$178,307.47
SAN JUAN COUNTY	\$780.48	\$93.87	\$874.35
SOUTHEAST DISTRICT HEALTH DEPARTMENT	\$10,381.93	\$1,160.32	\$11,542.25
SOUTHWEST UTAH PUBLIC HEALTH	\$0.00	\$0.00	\$0.00
TOOELE COUNTY CORPORATION	\$6,343.42	\$743.38	\$7,086.80
TRI-COUNTY HEALTH DEPARTMENT	(\$91.18)	(\$4.15)	(\$95.33)
UTAH COUNTY	\$106,407.84	\$11,991.71	\$118,399.55
WASATCH COUNTY	(\$128.95)	(\$13.56)	(\$142.51)
WEBER COUNTY CORPORATION	\$40,458.86	\$4,431.46	\$44,890.32
<b>UNIVERSITY OF UTAH MEDICAL GROUP PHYSICIAN ENHANCEMENT</b>	<b>Seed</b>	<b>3-2-1</b>	<b>Total</b>
UNIVERSITY OF UTAH MEDICAL GROUP	\$14,308,045.40	\$555,981.15	\$14,864,026.55

**GRAND TOTAL: \$104,134,400.63 \$5,003,514.25 \$109,137,914.88**

Per UCA 26-18-21(1)(a), the tables above do not contain information on the following intergovernmental transfers:

- (ii) *"Intergovernmental transfer" does not include:*
  - (A) *the transfer of public funds from one state agency to another state agency; or*
  - (B) *a transfer of funds from the University of Utah Hospitals and Clinics.*

### **Summary of Changes to Federal Regulations and Practices**

There have been no changes to 42 CFR 433.51 or §1903(w)(6) of the Social Security Act since the last report was issued to the legislature in October 2019.

Centers for Medicare and Medicaid Services (CMS) proposed the Medicaid Fiscal Accountability Regulation on November 18, 2019 (CMS-2393-P). This proposed rule limits the types of funds that are permissible to use as non-federal share. The proposed rule provides additional clarifications on the payment and ownership arrangements between the participating providers and the governmental entities. More information on the proposed rule can be found at <https://www.federalregister.gov/documents/2019/11/18/2019-24763/medicaid-program-medicaid-fiscal-accountability-regulation>.

On September 14, 2020, CMS withdrew the Medicaid Fiscal Accountability Rule (MFAR) from the regulatory agenda citing concerns from stakeholder about potential unintended consequences of the proposed rule, which require further study.

The Department continues to seek legal advice from Medicaid experts and the CMS to ensure that seed funding, as currently in practice, complies with CMS requirements. The Department reviews technical assistance provided by CMS on this issue with contracted Medicaid experts to validate CMS's interpretation of statute and regulation.

### **Other Information**

The Department closely monitors these programs. Per UCA 26-18-21(2)(a), the Department collected reports from each entity and reviewed the information provided about each entity's ability to pay back a potential disallowance. The Department flagged areas of potential concern from the responses and will follow up with the appropriate entities to obtain additional information as needed. If the Department finds something that indicates potential problems in an entity's ability to pay back a potential disallowance, the Department will look to strengthen its oversight of the entity's activities and determine if the contract needs to be modified or terminated.